



H.R. 5826 – VETERANS' COMPENSATION COST-OF-LIVING ADJUSTMENT ACT OF 2008

FLOOR SITUATION

H.R. 5826 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Ciro Rodriguez (D-TX) on April 16, 2008. The House Committee on Veterans Affairs agreed to the bill by voice vote on April 30, 2008.

H.R. 5826 is expected to be considered on the floor of the House on May 20, 2008.

SUMMARY

H.R. 5826 increases the rates of compensation for veterans with service-related disabilities and the indemnity compensation payments made to the survivors of certain disabled veterans. These rates are adjusted according to current cost-of-living estimates.

The amounts adjusted by the legislation include wartime disability compensation, clothing allowance, dependency and indemnity compensation for surviving spouses and children of veterans.

These adjustments are to take effect December 1, 2008.

BACKGROUND

According to the Bureau of Labor and Statistics, adjustments to cost-of-living rates are made using the cost-of-living index. This index measures the differences in the prices of goods and services over a period of time for people living in either a certain city, region, or nation as a whole. For example, the consumer price index for April of 2008 was 3.9 percent higher than April of 2007.

The Department of Veterans Affairs pays disability compensation to veterans who have suffered injuries or diseases while serving on active duty. The amount of basic benefits paid to qualifying veterans ranges from \$115 to \$2,471 per month, depending on the degree of disability.

[Bureau of Labor and Statistics – Consumer Price Index website](#)

[Department of Veterans Affairs – General Disabled Veterans Benefits website](#)

COST

The Congressional Budget Office estimates that “enacting this bill would increase spending for those programs by \$857 million in 2009. (The annualized cost would be about \$1.1 billion in subsequent years.) This estimate assumes that the cost-of-living-adjustment effective on December 1, 2008, will be 2.8 percent.”

STAFF CONTACT

For questions or further information contact Justin Hanson at (202) 226-2302.